

## **REGULATORY RULES FOR THE CALL FOR APPLICATIONS FOR AID TO PROMOTE NEW ECONOMIC MODELS FOR THE AUDIOVISUAL INDUSTRY IN THE PRODUCTION OF CINEMATOGRAPHIC AND AUDIOVISUAL WORKS IN THE VALENCIAN REGION.**

*This text is of an informative nature and has no legal value, it is the result of the consolidation of the regulatory bases established in DECREE LAW 5/2023, of March 16, of the Consell, approving the necessary measures for the granting of aid for to promote a new economic model of the audiovisual industry in terms of production of cinematographic works and audiovisual works in Valencian territory (DOGV 03-20-2023) and modified by ORDER 5/2023, of the Ministry of Innovation, Universities, Science and Digital Society, to modify the regulatory bases for the granting of aid aimed at promoting a new economic model for the audiovisual industry in terms of the production of cinematographic works and audiovisual works in Valencian territory, approved by Decree Law 5/2023, of 16 March of the Consell, and call for aid corresponding to the year 2023 (DOGV 07-13-2023).*

### **One. - Objective**

These rules regulate the granting of aid aimed at promoting the audiovisual industry and employment in the sector within the Valencian region through the financing of production projects, including post-production, related to cinematographic and audiovisual works of Spanish or foreign nationality for which expenses are incurred in the territory of the Comunitat Valenciana.

### **Two. - Modality. Aid funding and multiannuality.**

1. The aid will be awarded in the form of non-repayable subsidies.
2. Calls for applications for the aid governed by these rules will be made annually and will be of a multi-annual nature, covering three financial years. They will be financed from the corresponding budget lines included in the Generalitat's budget laws approved for each financial year.
3. The maximum overall amount of the aid will be determined in the corresponding call for applications, which will also determine how it is to be distributed in the annual instalments.

### **Three. - Regulatory framework**

1. These regulatory rules are governed by Commission Regulation 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty on the Functioning of the European Union ("EU Aid Regulation"), Law 38/2003 of 17 November 2003, the General Subsidies Act (hereinafter 'GSA' or 'General Subsidies Act'), Royal Decree 887/2006 of 21 July 2006 approving the Regulations implementing Law 38/2003 of 17 November 2003 the General Subsidies Act (hereinafter 'GSAR' or 'General Subsidies Act Regulations'), Law 55/2007 of 28 December 2007 on Cinema and its implementing regulations ("Cinema Act"), Law 1/2015 of 6 February 2015 on Public Finance, the Instrumental Public Sector and Subsidies (hereinafter PFSA), Law 1/2022 of 13 April on Transparency and Good Governance in the Comunitat Valenciana, Law 1/2006 of 19 April, on the audiovisual sector, Law 39/2015, of 1 October, on Common Public Administration Administrative Procedures, Law 40/2015, of 1 October, on the Legal Regime of the Public Sector and the remaining provisions of general application, as well as by the remaining Community regulations applicable to the subject.

2. These regulatory rules are not foreseen in the current Strategic Subsidy Plan drawn up by the Regional Ministry of Finance and Economic Model, as they respond to a new and unforeseen need that requires urgent attention, as is made clear in the decree law that approves them. However, they do not affect compliance with the Strategic Plan or interfere with its implementation, thus complying with the provisions of Article 8.1 of the General Subsidies Act.

3. In particular, the aid covered by these regulatory rules is compatible with the internal market within the meaning of Article 107(3) of the Treaty on the Functioning of the European Union ('Treaty'), and is exempt from the notification requirement of Article 108(3) of the Treaty, as laid down in the EU Aid Regulation. For these purposes, the sectors that are excluded from the application of the European Union Aid Regulation, in accordance with the provisions of points 2 and 3 of Article 1 of the aforementioned European Union Aid Regulation, will be excluded from the aid covered by these regulatory rules.

#### **Four. - Principles, general requirements and compatibility**

1. The aid regulated in these rules, in terms of its concession and execution, will be based on the principles established in Article 8 of the GSA, regarding publicity, transparency, concurrence, objectivity, equality and non-discrimination, effectiveness in the fulfilment of the objectives set by the granting Administration, and efficiency in the allocation and use of public resources, as well as those established in Law 1/2022, of 13 April, on Transparency and Good Governance in the Comunitat Valenciana.

2. The procedure for awarding this aid will be processed on a competitive basis, in accordance with Articles 163 and 164 et seq. of Law 1/2015, of 6 February, on Public Finance, the Instrumental Public Sector and Subsidies.

3. Access to this aid is open to audiovisual production companies which, in accordance with the provisions of Article 6 of the European Union Aid Regulation, intend to carry out the production of cinematographic projects or national or foreign audiovisual works that will boost the Valencian economic and productive sector and employment by incurring in their production, including post-production, an expenditure of at least 2,000,000 euros in the territory of the Comunitat Valenciana. Under all circumstances, the overall cost of production must be at least 4,000,000 euros. However, projects which have already begun the subsidised activity, i.e. the production phase of audiovisual works, described in these rules, will not be eligible for this aid, given the incentive nature of the measure. Applicants must also accompany the application with the documentation described in the rules and in the call for applications, including the name and size of the company, the description of the project including start and end dates, the location of the project, the list of project costs and the type of support and amount of public funding required for the project in accordance with the requirements of Article 6 of the EU Aid Regulation.

4. In accordance with Article 54(4) of the EU Aid Regulation, since this aid is subject to territorialisation requirements, and since the amount of aid granted is calculated as a percentage of the production costs incurred in the Comunitat Valenciana, the maximum amount of expenditure subject to territorialisation requirements may in no case exceed 80% of the overall production budget. In addition, the minimum level of production activity within the Comunitat Valenciana required by these rules may not exceed 50% of the overall production budget. Furthermore, in accordance with Article 54(9) of the EU Aid Regulation, the aid covered by these regulatory rules will not be reserved for specific production activities or individual parts of the production value chain. Aid for film studio infrastructure is not eligible under these rules.

5. For the purposes of complying with the requirement established in Section 3 of these rules, expenses incurred in the Comunitat Valenciana will be considered to be those listed in the corresponding section of these rules.

6. For the purposes of this aid, the definition of cinematographic works and audiovisual works set out in Article 4 of Law 55/2007 of 28 December 2007 on Cinema will apply, including feature films and short films, and television films and series, whether in fiction or documentary format, as well as those animation projects that fall into the above categories.

7. Cinematographic or audiovisual works not eligible for this aid will include those:

- a) produced directly by television operators or other audiovisual media service providers in accordance with the provisions of Article 19(2) of Law 55/2007 of 28 December 2007 on Cinema; or
- b) financed entirely by public administrations; or
- c) with content that is essentially advertising and political propaganda; or
- d) which have obtained an "X" film rating; or
- e) which infringe or do not respect the rules on the transfer of intellectual property rights; or
- f) which, by final judgment, have been found to constitute a criminal offence in some respect; and/or
- g) produced by companies with employment debts, in accordance with the provisions of the applicable regulations.

8. The aid governed by these rules will be compatible with other possible subsidies or aid, provided that the total amount of the aid, alone or in conjunction with subsidies or aid from other public administrations or other public or private bodies, does not exceed 50% of the production budget of the cinematographic or audiovisual work.

However, the intensity limit referred to in the previous paragraph may be increased to 60% where the cinematographic or audiovisual work submitted for such aid is a cross-border production financed by more than one European Union Member State and involving producers from more than one European Union Member State.

In addition, cinematographic or audiovisual works that may be considered difficult audiovisual works, under the terms of Royal Decree 1084/2015, of 4 December, which implements Law 55/2007, of 28 December, on Cinema, are exempt from the intensity limit set out in this provision.

9. Likewise, in order for a cinematographic or audiovisual work to be eligible for this aid, its nature as such must be justified in accordance with the criteria established in Point Nine.

#### **Five. - Beneficiaries**

1. Within the budgetary limits and in accordance with the conditions and criteria laid down in these rules, production companies engaged in audiovisual production, including economic interest groupings, may be beneficiaries of the aid provided for in this Decree that are registered in the Comunitat Valenciana Administrative Register of Audiovisual Companies, or in the Administrative Register of Film and Audiovisual Companies held by the Institute of Cinematography and Audiovisual Arts or in any other administrative register listing audiovisual companies in Spain or, if this is their first registration, those that have submitted the corresponding application for registration, at the time of applying for the aid, in the Comunitat Valenciana Administrative Register of Audiovisual Companies, as well as any national production companies from third countries in the European Union that are authorised in their countries of origin to carry out audiovisual production activities and, in all cases, have a permanent establishment in Spain at the time the aid becomes effective, by virtue of Article 1(5) of the European Union Aid Regulation, and they must also comply with the requirements established in the GSA, as well as in the GSAR and the PFSA.

2. Any person who has been subject to a sanction consisting of the loss of the possibility of obtaining subsidies due to failure to comply with any regulation may not be a beneficiary, nor may any person who is involved in any of the cases provided for in Article 13, paragraphs 2, 3 and 3 bis of Law 38/2003, of 17 November, or in the cases set out in Article 1(4) of the European Union Aid Regulation.

3. In the case of national or international co-productions, the co-producers must designate one of them as beneficiary, provided that this party fulfils the requirements applicable for this purpose. The co-producers will be jointly and severally liable for compliance with these rules.

**Six. - Obligations on the beneficiaries:**

1. In addition to the obligations established in Article 14 and concordant articles of the GSA, those contained in these rules and those that may be foreseen in the award decision or in the respective calls for applications, the following obligations are incumbent on the beneficiaries of the aid:

a) Prove to the awarding body that the activity has been carried out and that the requirements and conditions determining the granting or enjoyment of the subsidy have been met.

b) Not to fulfil any of the circumstances envisaged in Article 13 of the GSA.

c) Keep the documents supporting the use of the funds received, including electronic documents, for as long as they may be subject to verification and control actions.

d) Submit to the verification and financial control actions carried out in relation to the purpose and destination of the grant awarded, in accordance with the provisions of Article 46 of the GSA, and with Chapter III of Title X of the PFSA.

e) Communicate the receipt of any other subsidies, aid, income or resources from any administration or public or private body granted for the same purpose as that envisaged in the corresponding call for applications. This communication must be made, by means of a sworn statement, as soon as it is known and, in any case, prior to the verification of the use made of the funds received.

f) Comply with the disclosure obligations set out in Comunitat Valencian Law 1/2022, of 13 April, on Transparency and Good Governance.

g) Provide verification in relation to the subsidy in accordance with the terms and deadlines set out in these rules.

h) Reimburse the funds received in the cases provided for in Article 37 of the GSA, and in accordance with the provisions of Article 172 of the PFSA.

i) Not be subject to an outstanding recovery order following a previous decision by the European Commission declaring aid to the beneficiary to be unlawful and incompatible with the internal market, nor be in difficulty within the meaning of European law.

j) Have the accounting books, diligent records and all other documents duly audited in the terms required by the commercial and sectorial legislation applicable to the beneficiary in each case, as well as all the specific accounting statements and records required by the regulatory rules of the subsidies, in order to guarantee the proper exercise of the powers of verification and control.

k) Any other obligation arising from state, autonomous community and community regulations that are directly applicable.

2. The requirements and obligations, both general and specific, demanded of the beneficiary entities may be accredited by means of a sworn statement by their legal representative, without prejudice to the fact that the beneficiary may be subject to a request for reliable accreditation.

3. In accordance with the objective, conditions and purpose of the subsidy, the obligations on the beneficiary referred to in Article 14 of the GSA will be reflected. The beneficiaries must give adequate publicity to the public nature of the financing of the activity, investment or action, in accordance with the provisions of Article 18, point 4, of the GSA and under the circumstances and conditions laid down in Law 1/2022, of 13 April, on Transparency and Good Governance in the Comunitat Valenciana. These measures may consist of, among others, the inclusion of the institutional logos of the Generalitat, as well as legends relating to public funding, on posters, commemorative plaques, printed materials, electronic or audiovisual media, or in mentions in the media. In this respect, all graphic and audiovisual publicity material (posters, leaflets, banners, DVDs, CDs and other documentation and material used) will indicate that the subsidised activity is carried out in collaboration with the Generalitat, and the inclusions or mentions made on official websites to publicise the activities will incorporate the institutional logos provided by the Generalitat.

### **Seven. - Eligible expenses**

1. For the purposes of these rules, eligible expenses will be understood as the expenses to be incurred by the beneficiary company that constitute the cost of the production, including post-production, of the national or foreign cinematographic or audiovisual work until the standard copy or digital master of the aforementioned subsidised cinematographic or audiovisual work is obtained, where said expenditure occurred in the territory of the Comunitat Valenciana within the time frame indicated in each call for applications, taking into account the following:

1.1. The following will be considered production costs, including post-production costs, incurred in the Comunitat Valenciana:

- a) Expenses associated with services provided from the Comunitat Valenciana, when the service provider is resident for tax purposes in the Comunitat Valenciana.
- b) Expenditure relating to purchases of goods used in the subsidised production and purchased from persons or entities having their tax residence in that region, provided that such goods are used up or consumed during the production process.
- c) Depreciation expenses derived from items of tangible or intangible fixed assets, when their effective use takes place in the Comunitat Valenciana and during the production process in the Comunitat Valenciana and the person making the delivery has his tax residence in that region. In the event that the goods are partially used in said Comunitat, the expenditure will be understood to have been incurred in the Comunitat Valenciana in proportion to the degree of its use in said region.

1.2. Notwithstanding the provisions of the previous paragraph, the expenditure specified below will be considered to have been incurred in the Comunitat Valenciana:

- a) Expenses derived from the payment of salaries to workers under an employment regime, when the work or services are provided in the Comunitat Valenciana. In the event that the work or services are partially provided in the aforementioned region, only expenditure incurred in the Comunitat Valenciana in connection with that part of the production carried out in the Comunitat Valenciana will be considered to be expenditure incurred in said region. In the case of teleworking, expenses incurred in the Comunitat Valenciana will be considered to have been incurred in the Comunitat Valenciana when the person teleworking has their tax residence in the aforementioned Comunitat.
- b) Expenses derived from water, gas or electricity supplies, when the purchaser is provided with them from the Comunitat Valenciana, this being understood as the place where the meter or service connection is located.
- c) Expenses related to the transfer of use or lease of real estate, when these assets are located in the Comunitat Valenciana.

d) Hotel and catering expenses, when the service is provided in establishments located in the Comunitat Valenciana. The provisions of this point (d) will not apply to expenditure on services provided by catering companies, which will be governed by the provisions of point 1.1. a) of these rules.

1.3. The location criteria set out in the previous sections will apply to the expenses incurred by the production company, as well as to those expenses incurred through subcontracting.

1.4. Taxes actually paid by the beneficiary entity. Indirect taxes, where they are subject to recovery or offset, and corporation tax are not considered eligible expenditure under any circumstances.

#### **Eight. - Amount of the subsidies**

1. The amount of the aid will be 25% of the qualifying local expenditure in the Valencia region for each project, provided that the minimum expenditure requirements in the Comunitat Valenciana and the intensities established in these rules are met.

2. The amount of aid is granted per cinematographic or audiovisual work, and the same production company may apply for aid for a maximum of two cinematographic or audiovisual works in the same call for applications.

3. Without prejudice to the foregoing, the maximum amount of aid to be received by each beneficiary company in each call may not, in any case, exceed 1,500,000 euros, provided that this amount does not exceed the limits set out in these rules.

4. The amounts of the aid and limits provided for in this provision will be subject, in all cases, to the intensity limits established in these rules.

#### **Nine. - Character of the cinematographic or audiovisual works**

In order to be eligible for the aid regulated in these Rules, the cinematographic or audiovisual works must prove their cultural nature by submitting a sworn statement regarding the cultural work indicating that the project submitted meets at least two of the following cultural criteria:

a) Have in its original version any of the official languages in Spain. In the case of co-productions with foreign companies or foreign productions shot in Spain, the original version of the feature film may be in one of the official languages of the European Union.

b) The content is mainly set in Spain or in any country of the European Union.

c) The content is directly related to literature, music, dance, architecture, painting, sculpture, and in general to expressions of artistic creation.

d) The script is an adaptation of a pre-existing literary work.

e) The content is biographical in nature, or in general reflects historical events or characters, without prejudice to the free adaptations inherent in a film script.

f) The content includes mainly mythological or legendary stories, events or characters that can be considered as part of any cultural heritage or tradition in the world.

g) It enables a better understanding of cultural, social, religious, ethnic, philosophical or anthropological diversity.

h) The content is related to issues or topics that are part of the Spanish or European social, cultural or political reality, or have an impact on them.

i) In the cinematographic story, one of the main characters or several of the secondary characters are directly linked to this same Spanish or European social, cultural or political reality.

j) It is specifically aimed at children or young people and contains values in accordance with the educational principles and aims set out in Organic Law 2/2006, of 3 May, on Education, or any

regulation that may replace it, as amended by Organic Law 8/2013, of 9 December, on the Improvement of the Quality of Education.

k) A final version of the production will be available dubbed or subtitled in Spanish or another official Spanish language.

#### **Ten. - Call procedure and competent bodies**

1. The procedure for awarding this aid will be carried out by means of an annual call for applications, with the subsidies awarded under the scheme being multiannual in nature, covering three budgetary years, in accordance with the requirements established in Article 166 of Law 1/2015, of 6 February, on the Public Treasury, the Instrumental Public Sector and Subsidies.

2. The competent bodies are:

a. The procedure will be initiated ex officio by the publication in the Generalitat Valenciana Diari Oficial of the corresponding call for applications approved by order issued by the head of the regional ministry responsible for innovation. The full text of the calls will be sent to the National Grants Database and an extract will be published in the Generalitat Valenciana Diari Oficial.

b. The undersecretary of the regional ministry responsible for innovation will be in charge of organising and instructing the procedure.

c. The body determined by the calls for applications or, failing that, the instructing body, will be responsible for monitoring compliance with the objectives of the aid.

d. The award decision procedure is the responsibility of the head of the regional ministry responsible for innovation.

#### **Eleven. - Submission of applications**

1. The deadline for submitting applications will be 30 calendar days and this period will begin on the day following publication of the corresponding call for applications in the Generalitat Valenciana Diari Oficial.

2. Failure to meet this deadline will result in the application not being accepted.

3. All the applications and documentation must be submitted online through the online register accessible from the website indicated in the call for applications.

4. Applications must be made on the form provided and must be accompanied by the documentation specified in the following section of these rules.

5. The applications, together with all the other documentation that must accompany them, must be submitted only through this online portal by accessing with the representation key. The documentation will be submitted in accordance with the provisions of Law 39/2015, of 1 October, on Common Public Administration Administrative Procedures.

#### **Twelve. - Documentation**

1. General documentation:

a) Applications made by companies with tax residence in Spain must be accompanied by the following documentation:

- If the applicant company is not registered in the Comunitat Valenciana Register of Audiovisual Companies, in the Administrative Register of Cinematographic and Audiovisual Companies held by the Institute of Cinematography and Audiovisual Arts or in any of the administrative registers listing cinematographic or audiovisual companies in Spain, and unless authorised by the Administration to consult them:

i. Certified photocopy of the ID card or passport of the person acting as representative of the production company, as well as a document accrediting that the person is authorised to

represent the company, in accordance with Article 5 of Law 39/2015, of 1 October, on Common Public Administration Administrative Procedures.

ii. Tax ID No. of the production company.

iii. Certified photocopy of the deed of incorporation, as well as of those legal acts that must be registered in the companies register, in accordance with the provisions of Articles 94 et seq. of Royal Decree 1784/1996, of 19 July, which approves the Companies Register Regulations or, in the case of applicants established in other Member States of the European Union, an equivalent document accrediting the existence of said entity in accordance with the applicable legislation.

- If the applicant company is registered in the Comunitat Valenciana Register of Audiovisual Companies, in the Administrative Register of Cinematographic and Audiovisual Companies held by the Institute of Cinematography and Audiovisual Arts or in any of the administrative registers listing cinematographic or audiovisual companies in Spain:

i. Sworn statement by the person acting as representative of the production company stating that the aforementioned documentation is deposited in the file corresponding to the company in the Comunitat Valenciana Administrative Register of Audiovisual Companies or in the Administrative Register of Cinematographic and Audiovisual Companies held by the Institute of Cinematography and Audiovisual Arts, also stating that it is valid and that the data contained in the aforementioned file has not undergone any modification.

b) Applications made by companies with tax domicile in a European Union Member State must be accompanied by the following documentation:

i. Sworn statement by the person acting as representative of the production company stating that the company is authorised to carry out production activities in the European Union, providing all the necessary supporting documentation to this effect.

ii. Tax residence certificate issued by the competent authorities in the country of residence.

2. Administrative documentation:

a) In the case of co-productions, an agreement between the co-producers designating one of them as beneficiary, assuming joint and several responsibility for compliance with the regulatory rules and this call for applications by all of the co-producers.

b) Sworn statement regarding the subsidies, aid, income or resources requested, received or granted and pending receipt by other administrations or public and private institutions for the same purpose and which are used to finance the subsidised activities, justifying the amount thereof with documentary evidence.

c) Bank details, account number, agency and name of the entity where the applicant wishes to receive the aid if awarded. The company applying for the subsidy must be the holder of the current account.

d) Sworn statement by the applicant company regarding compliance with the legislation on the integration of people with disabilities into the labour market, or, where applicable, exemption from this obligation, in accordance with the provisions of Article 7 of Generalitat Valenciana Law 11/2003, of 10 April, on the Statute of People with Disabilities and Generalitat Valenciana Council Decree 279/2004, of 17 December, which regulates measures for administrative contracting procedures and the awarding of subsidies to promote the employment of people with disabilities.



e) Sworn statement that the applicant does not fall under any of the prohibitions for obtaining the status of beneficiary specified in point 2 of Article 13 of the General Subsidies Act and, in particular, that the applicant is not in debt to the Generalitat Valenciana for the reimbursement of subsidies.

f) Accreditation that the applicant company is registered for Economic Activities Tax (IAE), by presenting the registration and, if applicable, the latest IAE receipt or, in the case of applicants established in other Member States of the European Union, an equivalent document.

g) Authorisation or opposition so that the instructing body can check or obtain information on compliance with tax and Social Security obligations from other bodies, administrations or information providers by electronic means. In the event of opposition, the applicant must provide the relevant supporting documents, valid for six months from the date of issue.

h) Proof of compliance with the payment deadlines stipulated in Law 3/2004, of 29 December, which establishes measures to combat late payment in commercial transactions, in the manner stipulated in Article 13.3 bis of Law 38/2003, of 17 November, the General Subsidies Act.

3. Documentation relating to the cinematographic or audiovisual production:

a) In the case of co-productions, a certified copy of the co-production contract must be provided.

b) Accreditation by the production company that it holds the corresponding ownership and/or assignment of intellectual property rights or the necessary authorisations from the corresponding rights holders to carry out the production, including, where appropriate, post-production, of the cinematographic or audiovisual production for which the aid is requested.

c) Synopsis of the script (maximum 10 pages).

d) Professional background of the applicant production company or, where applicable, that of the company commissioning the production.

e) Production budget and expenditure plan: determination of the investment and local expenditure to be made in the Comunitat Valenciana, listing, from the total budget: contracts for the provision of services and supply of goods, work contracts to be signed, number of overnight stays in hotels in the Comunitat Valenciana, and expenditure, in general, to be made in or from the territory of the Comunitat Valenciana as part of the audiovisual production, indicating the amount expected to be made by item and annual payment. Expressly indicating the planned distribution by annual instalments of the local expenditure to be incurred, within the three years of validity of the call, taking into account that the maximum to be included in each annual instalment is fifty percent of the total eligible local expenditure foreseen.

f) A detailed financing plan, duly documented by providing, where appropriate, the contracts or agreements signed for this purpose, with special reference to the contributions, subsidies or aid requested and, where appropriate, obtained from other administrations or public or private institutions for the cost to be incurred in the Comunitat Valenciana.

g) Marketing plan for the cinematographic or audiovisual production.

h) Shooting plan, including shooting time, dates and locations.

i) Composition of the technical and artistic team, with the presentation of written statements indicating the knowledge and interest of the main members of these teams or contracts formalised with them. Career path of the creative team (director, scriptwriter, director of photography, music composer) and the executive producer.

j) Service companies involved in the production project.

k) Copies of contracts for marketing rights to third parties, including, but not limited to, television channels and audiovisual platforms.

l) Evidence of compliance with the requirements defining the nature of the cinematographic or audiovisual production to be produced in the Comunitat Valenciana in accordance with the criteria established in Point Nine.

m) Completed and signed summary sheet for the audiovisual project.

n) Self-assessment of the alleged merits subject to assessment in accordance with the objective criteria established in Point Sixteen, in accordance with the standard form available on the website identified in the call for applications.

o) Sworn statements from the applicant company on the following points:

- Self-assessment carried out, as indicated in section n) above.

- Nature of the cinematographic or audiovisual production to be produced in the Comunitat Valenciana in accordance with the criteria established in Point Nine.

- "Green audit". Proof that sustainability measures have been applied in the production of the subsidised project.

- Budget and expenditure plan as outlined in e) above.

4. Any change or modification to the project submitted must be communicated to the Undersecretary's Office of the regional ministry responsible for innovation within ten working days of its occurrence. In view of the modification proposed, the criteria for granting the aid and the rest of the conditions established in the corresponding call for applications, the Evaluation Committee referred to below, through the instructing body, will confirm, revoke or modify the aid granted. Acceptance of the amendment requires, under all circumstances, that the rights of third parties are not prejudiced.

5. The formulated project and the rest of the documentation accrediting the aspects to be assessed must be submitted within the deadline for the submission of applications and no document linked to these documents that is submitted after the last day for the submission of applications will be subsequently accepted and nor will it be valid.

6. After the deadline for the submission of applications, applicants may not provide any documentation aimed at accrediting these merits, and in the event that such documentation is provided, it will not be taken into consideration for the purposes of calculating the award criteria.

7. Falsified content or information that does not correspond to reality will not be assessed, and will be grounds for rejecting the application in the decision issued by the competent body, or, where appropriate, for revoking a grant already awarded, without prejudice to the application of the corresponding penalties.

8. Applicants authorise the Generalitat to use the subsidised projects to carry out promotional initiatives or activities deemed necessary to publicise and promote them.

### **Thirteen. - Award procedure.**

1. The award procedure will be governed by the provisions for competitive procedures in Article 163 of the PFSA and will be initiated ex officio by the publication of the annual call for applications in the Generalitat Valenciana Diari Oficial.

2. The assessment committee, through the instructing body, may request from the interested parties all the data and accreditation it deems necessary for the due qualification of the expenses that are the object of the subsidy.

3. The subsidy award phases are as follows:

- a) Document verification: firstly, the Technical Assessment Committee will check that the documentation accompanying the application accredits that the project and the applicant organisation meet the requirements established in these conditions and, in particular, the minimum expenditure requirements in the Comunitat Valenciana. At this stage it must be ensured and checked that the project complies with the cultural criteria set out in Rule Nine in compliance with the provisions of Article 54.2 of EU Commission Regulation No 651/2014 of 17 June 2014.
- b) Allocation of the subsidy: Once the first phase has been completed, the Technical Assessment Committee will assess the projects that have passed the first phase.
- c) The financial endowment will be distributed among the beneficiaries in order of the score obtained and will contain an express decision on the amount to be received for each year for each of the projects.

#### **Fourteen. - Organisation and instruction procedure**

1. The competent body for organising and conducting the aid procedure is the Undersecretary of the regional ministry responsible for innovation, who, at any time during the procedure, may, *ex officio*, agree on all the actions necessary for the determination, examination and verification of the data on the basis of which the decision is to be taken.
2. If the application does not include all the required data or if any documentation specified in the rules is missing, the applicant company will be asked to rectify these defects within 10 working days, with the warning that, if it fails to do so, it will be considered to have withdrawn its application. The amended application must be submitted electronically via the online portal (<https://innova.gva.es/es/web/subsecretaria-innova/procediments> ).
3. In any case, the instructing body may ask applicants to provide any clarifying information necessary for the management of the application.
4. If the application does not include all the information required for the application, any documents not provided and not submitted after being requested to do so will not be taken into account.
5. False or misleading information regarding the project may lead to the revocation of the grant awarded after a hearing of the applicant company.
6. Pursuant to Article 22.4 of the Regulations implementing the General Subsidies Act, the submission of the grant application entails the applicant's authorisation for the instructing body to directly obtain accreditation of the circumstances provided for in Articles 18 and 19 of said Regulations by means of online certificates.
7. After the deadline for the submission of applications, applicants may not provide any documentation aimed at accrediting these merits, and in the event that such documentation is provided, it will not be taken into consideration for the purposes of calculating the award criteria.
8. However, once the application has been submitted and before the decision on the award of this aid is issued, applicants may notify changes to the project submitted for duly justified reasons relating to force majeure. Under these circumstances, the technical assessment committee may issue a detailed decision to close the application.
9. Notifications will be sent electronically via the authorised email address of the legal person.

10. The notifications will be understood to have been made or rejected in the terms indicated under Articles 40, 41 and 43 of Law 39/2015, of 1 October, on Common Public Administration Administrative Procedures, and complementary legislation. In this regard, if 10 calendar days go by without access to the email's content, it will be understood that the notification has been rejected and the notification procedure will be considered to have been completed.

11. Verification of the existence of data that are not in line with reality may lead, depending on their significance, to the rejection of the grant applied for, without prejudice to any other responsibilities that may arise from this circumstance.

12. The technical assessment committee, in view of the applications submitted and after studying the respective projects for which aid is requested, will have to issue a report where its scoring will be reflected in the corresponding document, which will have to specify the result of the assessment, in accordance with the assessment criteria set out in these rules and the ranking of applications submitted, indicating the applicants provisionally proposed as beneficiaries as well as the distribution of the subsidy by year, in accordance with the expenditure plan submitted by the company.

13. In the event of a tie, preference will be given to applicants for projects that accredit, together with the application, the employment of people with disabilities, in accordance with the provisions of Article 6.1 of Generalitat Council Decree 279/2014, of 17 December, which regulates measures in administrative contracting procedures and the granting of subsidies to promote the employment of people with disabilities. Under such circumstances, the employment of these persons must be maintained at least until the end of the activity for which the subsidy is awarded.

14. If a tie persists, the highest score awarded in the expenditure in the Comunitat Valenciana section will then be taken into account.

15. Finally, and failing this, it will be necessary to follow the order of presentation in the electronic register, taking into account the date and time.

16. The minutes of the technical evaluation committee will be published on the website (<https://innova.gva.es/es/web/subsecretaria-innova/procediments>).

17. The instructing body, in view of the file and the minutes of the technical assessment committee, will issue a report stating that the information in its possession indicates that the beneficiaries meet all the necessary requirements for access to the subsidies and, by virtue of this, will make the provisional decision proposal, duly justified, which will be published on the website <https://innova.gva.es/es/web/subsecretaria-innova/procediments> and a period of ten working days from its publication will be allowed for the submission of further statements.

#### **Fifteen. Technical Assessment Committee**

1. In order to assess the applications, a Technical Assessment Committee will be set up, appointed by the head of the regional ministry responsible for innovation, which will submit its proposal for a detailed decision to the body, including a ranking of the applications based on the points obtained and the amount of the subsidy. The committee will have the following composition:

- (i) President: the head of the Undersecretary's Office of the regional ministry responsible for innovation, or the public employee delegated by said person.
- (ii) Members: four public employees belonging to subgroups A1 and A2 of any public administration or personnel with equivalent status in the instrumental public sector of the Generalitat, appointed by the Undersecretary's Office of the regional ministry responsible for innovation.
- (iii) Secretary: to be appointed by the president from among the members of the committee.

2. The Assessment Committee is empowered to carry out, through its members, any checks it deems necessary for the effective evaluation of the projects presented. Any information requested must be merely clarifying and in no case may it imply the incorporation or correction of merits that were not duly accredited by the interested party before the application deadline. Without prejudice to this, it may reject documentation that is not considered to be sufficiently accredited regarding the points contained therein.

3. The Technical Assessment Committee may request as many reports as it deems necessary to reach a decision, and may be assisted by experts with a professional profile or technical competence related to the subject matter of the aid, or by assessment agencies. In particular, it may request any reports that may be necessary for an adequate assessment of the fulfilment of the requirements defining the nature of the cinematographic or audiovisual work in accordance with the criteria established in Rule Nine.

4. The technical assessment committee, in order to have the best information available when assessing the projects, may carry out a face-to-face or online assessment, which may be attended by representatives of the production companies, if necessary.

5. The technical assessment committee will be validly constituted with the presence of the persons acting as president and secretary and at least half of its members, in accordance with the provisions of Article 17.2 of Law 40/2015, of 1 October, on the Legal Regime of the Public Sector.

6. In those matters not provided for in the previous point, the commission will adjust its functioning to that established in Article 15 et seq. of Law 40/2015, of 1 October, on the legal regime of the public sector, regarding collegiate bodies of the different public administrations.

7. In accordance with the provisions of Objective 2, Measure 2.1 of the 3rd Plan for Equality of Women and Men in the Generalitat's Administration, a balanced presence of women and men will be sought in the constitution of this committee.

8. The technical assessment committee will comply with the provisions of these regulatory rules. The appointment of its members will be made public on the website: <https://innova.gva.es/es/web/subsecretaria-innova/procediments>.

9. Any communication with members of the technical committee assessing their projects by applicants or parties interested in the projects submitted where said communication aims to provide opinions on said project, without this having been formally requested by the committee, will result in the exclusion of the project from the call for applications and the closure of the corresponding application; without prejudice to any other liability that may arise from such communication.

## **Sixteen. - Objective criteria for project assessment**

1. In accordance with the principles of publicity, transparency, objectivity, equality and non-discrimination, the subsidies will be awarded on a competitive basis to the applicant organisations that meet the established requirements and carry out the activities that are the object of the subsidy.

2. The evaluation will be carried out exclusively on the basis of the information provided by the applicant at the application submission stage.

3. Having fulfilled the criteria established in these rules, the Assessment Committee will assess the following criteria:

1st phase: The Assessment Committee will assess whether the project and the applicant organisation meet the requirements established in these Rules and, in particular, the requirements of minimum expenditure in the Comunitat Valenciana in accordance with the provisions of these Rules. At this stage it must be ensured and checked that the project complies with the cultural criteria set out in Rule Nine in compliance with the provisions of Article 54.2 of EU Commission Regulation No 651/2014 of 17 June 2014.

2nd phase: Having verified that the requirements of the first phase have been met, the Assessment Committee will evaluate the projects that have passed the first phase in accordance with the following criteria:

**a) Expenditure in the Comunitat Valenciana:** Up to 45 points, which will be allocated on the basis of the expenditure to be made in the Comunitat Valenciana in the production phase of the project, including the post-production phase. To this end, the eligible expenditure of the project will be determined on the basis of the total amount of the eligible project costs established in these rules and in the corresponding call for proposals.

TOTAL PRODUCTION EXPENDITURE IN THE COMUNITAT VALENCIANA	WEIGHTING
> €10,000,000	45
≤ €10,000,000 - > €9,000,000	35
≤ €9,000,000 - > €8,000,000	30
≤ €8,000,000 - > €7,000,000	25
≤ €7,000,000 - > €6,000,000	20
≤ €6,000,000 - > €5,000,000	15
≤ €5,000,000 - > €4,000,000	12
≤ €4,000,000 - > €3,000,000	10
≤ €3,000,000 - ≥ €2,000,000	7

**b) Socio-economic criteria:** up to 55 points.

i. Participation by technical teams with residence or tax residence in the Comunitat Valenciana. Up to 15 points. In total, 0.5 points will be allocated for each technician accredited as participating in the project and 2 points for each team leader.

ii. Participation by artistic teams with residence or tax residence in the Comunitat Valenciana. Up to 5 points. One point will be assigned for each professional Valencian performer who is

accredited as taking part in the project, excluding extras. In the case of animation, 0.5 points will be assigned for each Valencian dubbing interpreter who is accredited as participating in the project.

- iii. Contracting companies providing audiovisual services for filming or post-production with residence or tax residence in the Comunitat Valenciana: Companies renting equipment for filming (cameras, lighting, cranes, generators, film sets, sound equipment), catering companies, transport companies, image post-production companies, special effects, animation or visual/optical effects companies, sound companies (direct sound, dubbing, post-production, subtitling), costume and set design companies Up to 10 points. Two points will be allocated per company contracted.
- iv. If the production company or one of the co-producers is a production company with residence or tax residence in the Comunitat Valenciana and registered in the Comunitat Valenciana's Register of Audiovisual Companies for at least 3 years at the end of the application period, 10 points will be awarded.
- v. Participation by women: Up to 12 points.  
A total of 1 point will be awarded for each position of responsibility held by women in the team involved in the production, including post-production, of the cinematographic or audiovisual work. In the event that the same woman takes on more than one position of responsibility in the project, 1 point for each of these positions will be added to the score that corresponds to her initially, provided that the assumption of these positions is duly accredited. In case of male co-participation, the score will be proportional to the number of women, provided that all the co-participants have the same level of responsibility.
- vi. Having at least one disabled person with a degree of disability equal to or greater than 33% recognised by the competent body employed in the company or incorporated in the project: 1 point.
- vii. Including at least one person with a trainee contract in the project: up to 2 points. One point will be allocated per person hired.

4. All the contracts submitted for assessment must necessarily relate to the film or audiovisual project for which the aid is requested.

5. In this phase, the applicant company, if it has expressly requested it, may defend its projects before the Assessment Committee in a presentation lasting a maximum of 15 minutes. Likewise, throughout the assessment process, the Assessment Committee may request the entities to appear before it in order to clarify doubts or confirm aspects of the project submitted to the call for applications.

6. Each project will be assigned a total score, with a maximum of 100 points.

7. The Assessment Committee will then proceed to distribute the subsidy among the projects that exceed the minimum score of 50 points in order of the points obtained, in accordance with Rule Four on the calculation of the amount of aid established and up to the total amount of the budget heading allocated, on the basis of the points obtained, issuing a binding opinion to this effect.

8. Projects that exceed the minimum score of 50 points but are not proposed by the Commission, as the budget has been exhausted with those preceding them in order of highest to lowest score, will constitute a reserve list which may obtain aid in the event that those proposed in the first instance should, for whatever reason, lose their entitlement. The call for projects on the reserve list will also be made from the highest to the lowest score obtained.

#### **Seventeen. - Award decision**

1. After the assessment and examination of the completed files and until the credit available for each call is exhausted, in accordance with the Generalitat's budget for the corresponding financial year or its modifications, the Assessment Committee will issue a report detailing the result of the assessment carried out. The report will identify the projects selected, as well as the amount of aid allocated to each of them individually, distributed in each of the annual instalments.

2. In the case of a multi-annual call for applications, the amount to be received in each year will be broken down in this report, based on the plan submitted, and in accordance with the eligible costs expected to be incurred each year by the beneficiary in its Expenditure Plan. Taking into account that a maximum of 50% of the total amount of aid may be received in any one year. Under all circumstances, and in accordance with the provisions of Article 31 of the GSA, the possibility is established that the expenditure of that financial year that exceeds 50% may be accumulated with the expenditure of the following financial year, subject to budgetary availability.

3. In view of the report from the Technical Assessment Committee, the Undersecretary of the Regional Ministry for Innovation, Universities, Science and the Digital Society, as the instructing body, will formulate a duly reasoned provisional decision proposal, which will be posted on the online portal (<https://innova.gva.es/es/web/subsecretaria-innova/procediments>), giving a period of ten days from its publication in which to present further statements.

A hearing may be dispensed with where no facts, arguments or evidence other than those put forward by the parties concerned are presented or taken into account in the proceedings. In this case, the proposed decision will become final.

4. Once the further statements made have been examined, where appropriate, or once the period established for this purpose has elapsed, the instructing body will formulate a final decision proposal that will be notified in the manner established in the previous section so that the proposed persons, within a period of ten days, may express their acceptance by submitting the corresponding letter through the online portal, and register their identification and bank details in accordance with the resolution of 16 June 2022, by the Regional Minister of Finance and Economic Model, which approves the implementation of the PROPER computer system and regulates the automated administrative actions associated with interventions by the Generalitat Valenciana, in accordance with the provisions established in Regional Ministry of Finance and Economic Model Order 2/2022, which regulates the actions or procedures for the registration, modification and cancellation of the personal identification and bank details of individuals and legal entities that are economically related to the Generalitat. Failure to provide the required documentation within the time limit laid down in this section will be considered as a waiver of the grant awarded.

5. Once the above procedures have been verified, the head of the regional ministry responsible for innovation will decide on the granting of the aid. This decision will expressly fix the amount and incorporate, where appropriate, the conditions, obligations and ancillary provisions to which the beneficiary entity must be subject. In particular, it will include the following sections:

- a) The list of applicants to whom the subsidy is awarded, including the identification of the action, as well as the express rejection of the remaining applications.
- b) Amount of aid granted and eligible expenses, determining the amount for each year for which the subsidy is in force, subject to the existence of adequate and sufficient credit in the Generalitat's budget.
- c) General conditions and special conditions for awarding the aid.



- d) Payment method and, where appropriate, the guarantees to be provided for the advance payment of the aid.
- e) Deadline for submission of supporting documentation related to the subsidy.
- f) Publicity in relation to the aid awarded.
- g) Appeals regime.

The decision will be notified by publication in the Generalitat Valenciana Diari Oficial, which will replace the individual notification of the decision, in accordance with the provisions of Law 39/2015, of 1 October, on Common Public Administration Administrative Procedures.

6. The decision on the award of the aid will be made for each call for applications, stating all the beneficiary projects and rejected applications, as well as the procedure for acceptance of the aid awarded. The award decisions will be published in the Comunitat Valenciana Diari Oficial in accordance with Article 18 of the General Subsidies Act.

This decision must be issued and published no later than 2 months after the deadline for submitting applications, in accordance with the corresponding call for applications.

7. In the event that any beneficiary does not accept the aid awarded within the period established for this purpose, or if any aid is renounced or revoked, the resulting amount may be used for this same call under the terms established in section 8 of Rule Sixteen or, failing this, for the next call.

8. If, once the period for decision and notification has elapsed, the body responsible for taking a decision has not notified the decision, the interested parties will be entitled to consider their applications for the award of the aid to have been rejected due to administrative silence, all without prejudice to the obligation on the Administration to take an express decision.

9. An appeal for reconsideration may be lodged against the decision regarding the award procedure, which terminates the administrative procedure, within a period of one month from the day following that of its notification, with the body that issued it.

Without prejudice to the foregoing, an appeal for reversal may be lodged against the decision on the award procedure and, where appropriate, against the decision on the appeal for reversal, within a period of two months from the date of notification, in accordance with the provisions of Article 46 of Law 29/1998, of 13 July, on Contentious-Administrative Jurisdiction.

#### **Eighteen. - Verification of the expenditure**

1. The companies benefiting from the aid must provide verification regarding all the expenses incurred in the Comunitat Valenciana by means of documentary accreditation, in accordance with the provisions of these rules, and all the necessary documentation must be submitted to the Undersecretary's Office of the regional ministry responsible for innovation.

2. Failure to verify the expenses incurred in the Comunitat Valenciana, the cost of production and compliance with the provisions of these rules within the period indicated in the corresponding call for applications will result in the loss of the right to payment or the reimbursement of the aid granted.

3. Verification will be by means of a supporting account with an audit report reviewing the cost of the production, drawn up by auditors registered in the Official Register of Account Auditors held by the Institute of Accounting and Account Auditing, which will be governed by the procedural rules laid down in current legislation on audiovisual audits, and, in any case, in accordance with Articles 30 and 31 of the General Subsidies Act. The expenditure arising from the audit report will have the status of eligible expenditure.

4. All the justification documents must be submitted online.

5. Companies benefiting from the multiannual aid provided for in these rules must:

a) Before 30 November of the first year: verify the expenses incurred in the production for an amount at least equal to the part of the subsidy fixed for that year. Expenditure incurred by accredited producers will be taken into account for this purpose. Where applicable, the co-production contract must be provided together with the verification, if it was not submitted with the application for the aid. The beneficiary companies may also present a bank guarantee for the amount of the subsidy awarded for that year or guaranteeing only the amount of the year for which the expenditure incurred is not verified. The guarantee will be valid indefinitely, remaining in force until, once the audit of the total expenditure for the amount for that year has been presented, the extinction of the guaranteed obligation and the cancellation of the guarantee is certified. The amount of each annual instalment will be reduced if the expenditure accredited is less than the amount granted for that year.

b) Before 30 November of the second year: The beneficiary companies must verify the expenditure incurred in production for an amount at least equal to the part of the subsidy fixed for that year. Expenditure incurred by accredited producers will be taken into account for this purpose. However, for the purposes of verification, the beneficiary companies may also present a bank guarantee for the amount of the grant awarded for that year or guaranteeing only the amount for the year for which expenditure is not verified. The guarantee will be valid indefinitely, remaining in force until, once the audit of the total expenditure for the amount for that year has been presented, the extinction of the guaranteed obligation and the cancellation of the guarantee is certified. The amount of the annual instalment will be reduced if the expenditure credited is less than the amount granted for that year.

c) Before 31 October of the third year: if they have not already done so in previous years, they must submit the following documentation:

i. Verification account with special auditor's report on the review and verification of the expenses incurred in accordance with the provisions of Article 74 of the Regulations implementing the General Subsidies Act 38/2003, approved by Royal Decree 887/2006, of 21 July. The report must accredit the total cost of the production and must verify the eligible expenses incurred in accordance with the budget presented in the project, faithfully reflecting the local expenditure incurred in the Comunitat Valenciana, which will be equal to the amount committed to be incurred under the project presented or its authorised modifications. In the case of co-productions, the contributions made by each of the co-producing companies must be differentiated, as well as the different subsidies received for the production of the work.

This supporting account must contain a report on the activities and an abridged financial report. The report on the actions carried out will provide information on the fulfilment of the conditions imposed by the award, the activities carried out and the results obtained. The abridged financial report will provide information on the cost of the activities carried out and will contain a representative statement of the expenses incurred, detailed in accordance with the structure of the production budget submitted with the application for the aid and, where appropriate, the amounts initially budgeted and the deviations produced, reflecting in all cases the local expenditure in the Comunitat Valenciana.

The Regional Ministry, in the exercise of its powers of verification and in execution of the Control Plan for these subsidies, may request the appropriate supporting documentation.

ii. An updated sworn statement on subsidies applied for, received or awarded and pending receipt by other public administrations or institutions for the same purpose, providing documentary proof of the amount thereof, or a statement that the information provided in the application has not changed since the date the application was submitted.

iii. Sworn statement acknowledging that the technical and artistic contracts corresponding to the implementation of the activity that is the object of the subsidy have been carried out, that

Social Security contributions have been paid, and that the corresponding invoices have been paid in the case of the artistic or technical services provided by persons covered by the self-employed regime, in accordance with the contracts signed.

iv. Sworn statement on compliance with the provisions of the labour agreements in force with professionals from the audiovisual sector (actors, extras, technicians) in the subsidised production.

6. The verification documents provided must pertain to expenses incurred that refer unequivocally to the subsidised production and that are within the deadlines set by the call for applications and comply with the deadlines and exceptions set out in Order ECD/2784/2015 of 18 December 2015, which regulates the recognition of the cost of a film and the producer's investment or current regulations.

7. The invoices must comply with the provisions of Royal Decree 1619/2012, of 30 November, which approves the regulations governing invoicing obligations (BOE 289, 01.12.2012) and other current regulations. The invoices and other documents accrediting the beneficiary's expenditure must show the beneficiary entity as the sole recipient, invoices will not be accepted if issued to entities or persons acting on behalf of the beneficiary, nor payments made by these entities or persons who are not the beneficiaries.

8. In the case of verification of a bank transfer, copies of the receipts of the transfers made must be provided. The name of the project must appear on the transfer reference. Likewise, a copy of the bank statement of the bank debit corresponding to the verified transaction must also be provided. If several invoices are included in the same transfer, a detailed list of these invoices must be provided. If the payment is made by cheque or promissory note, the verification document will consist of a receipt, signed and stamped by the supplier, which must specify the invoice or verification documentation for the expenditure to which the payment relates and its date, the number and date of the cheque or the due date of the promissory note, and below the signature must be the name and the tax ID number of the person signing, as well as a copy of the bank statement of the bank debit corresponding to the verified transaction. All expenditure over 300 euros will be made by bank transfer, cheque or promissory note. In the case of cash payments, up to 300 euros, the verification document will consist of: proof of receipt, signed and stamped by the supplier, which has to specify the invoice or verification documentation for the expenditure to which the payment corresponds and its date, and below the signature the name and the tax ID number of the person who signs has to appear.

9. The dates for the submission of the verification documentation set out in paragraph 5 of these rules may be modified in the corresponding calls for applications.

Extensions of the time limit for verification may also be granted, provided that they are sufficiently justified and can be charged to the corresponding budget year.

10. The Undersecretariat of the Regional Ministry may request from the beneficiaries any documentation and information it deems necessary for the proper evaluation of the verification presented.

#### **Nineteen. - Payment of the aid**

1. Once it has been confirmed that the verification of the aid by the beneficiaries, submitted in due time and form, complies with the provisions of these rules, the procedures for payment will be initiated, which will be made by bank transfer based on the direct debit details provided.

2. Advance payments may be made in accordance with the provisions of Article 171 of Law 1/2015, of 6 February, on public finances, the instrumental public sector and subsidies or, where

appropriate, the budget laws of the Generalitat for each call for applications. Advance payments will involve the release of funds prior to verification, as the financing necessary to carry out the actions inherent to the subsidy, and guarantees will be provided. The maximum amount of advance payment for each annuity will be 35% of the amount granted in that annual instalment.

3. Payments on account may be made in instalments in accordance with the rate of implementation of the subsidised actions, being paid for an amount equivalent to the verification presented, provided that the nature and characteristics of the actions allow this division for the purposes of their payment.

4. There must always be consistency between the payments and the rate of implementation of the actions supported and the annual instalments.

5. Guarantees in the case of advance payments will consist of a bank guarantee equivalent to 100% of the amount advanced, in accordance with the requirements established in Regional Ministry of Finance and Economic Model Order 3/2023, of 14 March, which approves the regulations for the operation of the Generalitat's Deposit and Guarantee Fund (DOGV no. 9561 of 24 March).

6. However, by virtue of the provisions of Article 171.1 of the Public Finance, Instrumental Public Sector and Subsidies Act, payment of the subsidy may not be made if the beneficiary is not up to date with its tax and Social Security obligations or is a debtor as a result of a decision to proceed with reimbursement. Such circumstances may result in the loss of entitlement to the aid.

7. By virtue of the provisions of Article 13.3 bis of Law 38/2003, of 17 November, the General Subsidies Act, companies that fail to comply with the payment deadlines laid down in the aforementioned Law 3/2004, of 29 December, which establishes measures to combat late payment in commercial transactions, may not obtain the status of beneficiary. This circumstance will be accredited by those companies which, in accordance with accounting regulations, may present an abridged profit and loss account, by means of the presentation of a sworn statement, and for all other companies by means of a certificate issued by an auditor registered in the Official Register of Account Auditors, under the terms established in the aforementioned Article 13.3 bis.

8. The budget appropriations allocated to each call for applications which have been made available and not paid due to lack of verification or insufficient verification will be cancelled and the beneficiary will lose the right to receive the subsidy allocated to that year. Failure to provide verification for two annual instalments will result in the revocation of all the aid.

**Twenty. – Obligations relating to the verification of the aid by the beneficiaries.**

a) The productions must provide verification of at least the corresponding budget showing that the maximum aid intensity has been complied with in accordance with current legislation and that at least the amount of aid granted corresponds to local expenditure in the Comunitat Valenciana.

b) The start and end date of filming must be communicated.

c) The collaboration of the Generalitat will be stated in the credits of the audiovisual production and in its publicity and advertising, incorporating its logo in accordance with the corporate identity manual included on the website <https://innova.gva.es/es/web/subsecretaria-innova/procediments>

d) Without prejudice to the above, the beneficiary entities must publicise the public funding received on their website, mentioning the amount of the aid and the project for which

it is earmarked, and comply with the remaining publicity obligations established in Law 1/2022, of 13 April, on Transparency and Good Governance in the Comunitat Valenciana.

- e) When the beneficiary company is not able to carry out the activity for which it has been granted or when it cannot comply with the conditions set out in these rules and in Article 14 of the GSA, it must communicate the waiver by means of a detailed letter to be submitted online.
- f) The filming of the production must take place within the period referred to in the call for applications.
- g) If the filming does not take place between these dates, the aid awarded may be revoked.
- h) The application of the subsidy must be verified by submitting to the financial control actions referred to in Article 113 of the PFSA for beneficiaries of subsidies charged to the Generalitat's budgets.
- i) The beneficiary companies must comply with the provisions of the agreements in force relating to professionals in the audiovisual sector (actors, extras, technicians) and any other applicable agreements. Proven failure to comply with the abovementioned agreements may lead to the revocation and reimbursement of the aid received.
- j) The beneficiaries must be up to date with their tax and social security obligations.
- k) Green audit. In the last verification phase, the beneficiary companies must submit a report on the sustainability measures adopted by the company in the production of the subsidised work.
- l) The beneficiary is obliged to provide proof of compliance with the conditions imposed and that the objectives set out in the subsidy award decision have been achieved.
- m) It must prove to the awarding body that the activity has been carried out and that the requirements and conditions determining the granting or enjoyment of the subsidy have been met.
- n) It must keep the documents supporting the use of the funds received, including electronic documents, for as long as they may be subject to verification and control actions.
- o) It must submit to the verification and financial control actions carried out in relation to the purpose and destination of the grant awarded, in accordance with the provisions of Article 46 of the GSA, and with Chapter III of Title X of the PFSA.
- p) It has to communicate the receipt of any other subsidies, aid, income or resources from any administration or public or private body granted for the same purpose as that envisaged in the corresponding call for applications. This communication must be made, by means of a sworn statement, as soon as it is known and, in any case, prior to the verification of the use made of the funds received.
- q) The verification relating to the subsidy must be submitted in compliance with the terms and deadlines provided for in this decree.
- r) The funds received will have to be reimbursed in the cases provided for in Article 37 of the GSA, and in accordance with the provisions laid down in Article 172 of the PFSA.
- s) The beneficiary must have the accounting books, diligent records and all other documents duly audited in the terms required by the commercial and sectorial legislation applicable to the beneficiary in each case, as well as all the specific accounting statements and records required by the regulatory rules of the subsidies, in order to guarantee the proper exercise of the powers of verification and control.
- t) Beneficiaries may subcontract the planned activities up to a percentage of 100% of the subsidy awarded, in full compliance with the provisions of Article 29 of the General Subsidies Act.
- u) The beneficiary companies must deliver a first copy of the production to the Institut Valencià de Cultura, Direcció Adjunta de Audiovisuales y Cinematografía, Archivo Fílmico, Parque Tecnológico, C/ Leonardo da Vinci, 20, 46980 Paterna (València).

Given that the purpose of the call for applications is to promote an activity of public utility or social interest, the awards are made for an indefinite period and for the purposes of conserving and publicising the Valencian audiovisual heritage.

a) Versions. Once the film has been rated, a copy of the rated film, as well as the rating certificate will be submitted, along with the rating certificate.

The version on the rating certificate must be that of the original version as declared in the submitted project.

If the original version is not in either of the two official languages of the Comunitat Valenciana (Valencian and Castilian) but the subsidised audiovisual is dubbed into Valencian or Castilian, the film will also be delivered in this or these corresponding versions.

b) Materials.

1. Where the entire process is carried out using electronic systems, the material for preservation must be delivered in the highest quality system, format and medium used in production:

– For imagery at 2K or higher, the unencrypted DCDM and DCP will be submitted.

– For HD quality, HD SR tape or hard disk with the files with a bit depth of not less than 8 bits will be submitted.

– For PAL quality, Digital Betacam will be submitted.

If, during any stage of the production and/or distribution process, a photochemical system is involved, the interpositive, the internegative or the original negative plus the synchronised sound negative corresponding to the final version of the production may be submitted instead of the release copy.

Whenever photochemical preservation material is submitted, an unencrypted DCP must also be submitted.

In the event that the original version of the production is not in either of the two official languages of the Comunitat Valenciana, the black subtitle bar or the file for the insertion of subtitles must also be submitted.

2. Technical information will also be submitted on the qualities, formats and supports used throughout the process, in accordance with the form that can be filled in on the website of the Institut Valencià de Cultura: <http://ivac.gva.es/plantillafomento/index.php>.

Access to this website requires a username and password, which will be provided, on request, from the technicians at the Institut Valencià de Cultura's Film Archive.

In order to accredit compliance with this obligation, the beneficiary must submit to the regional ministry responsible for innovation a document certifying the submission to the Institut Valencià de Cultura.

#### **Twenty-one. - Modification and reimbursement**

1. Any alteration to the conditions taken into account for the award of the subsidy may lead to the modification of the decision.

2. Under all circumstances, obtaining concurrent subsidies or aid granted by other administrations or public or private bodies for the same concept may determine the reduction

of the aid awarded to the extent necessary to ensure that the total sum of the aid does not exceed the cost of the activity carried out and the maximum intensities established in these regulatory rules.

3. For the purposes of monitoring the above limits, the applicants will be required to submit a sworn statement indicating all the grants they have been awarded or applied for relating to the same purpose.

4. The Administration will verify the data referred to in said sworn statements in accordance with the provisions of Article 6 of Council Decree 165/2010, of 8 October, which establishes measures to simplify and reduce administrative burdens in the procedures managed by the Administration of the Generalitat and its public sector.

5. Use of the amount awarded as a grant to carry out an activity or to fulfil a purpose prohibited in Title VI of Law 14/2017, of 10 November, on democratic memory and coexistence in the Comunitat Valenciana, will constitute a case for the forfeiture of the right to receive the grant and, if applicable, for its reimbursement.

6. The cases referred to in Article 37 of the General Subsidies Act, in accordance with Articles 91, 92 and 93 of its Regulations, approved by Royal Decree 887/2006, of 21 July, will give rise to the obligation to repay, in whole or in part, the amounts received, as well as the demand for interest on late payment from the date of payment of the subsidy until it is repaid.

7. The right of the interested party to be heard in the course of the procedure will be guaranteed in all cases.

8. The provisions of the previous paragraphs will be applicable without prejudice to the possible classification of the facts as an administrative infringement and the initiation of disciplinary proceedings, in accordance with Articles 52 et seq. of the General Subsidies Act and Articles 173 et seq. of the PFSA.

9. The head of the Undersecretary's Office of the regional ministry responsible for innovation is the competent body for decisions regarding the appropriate reimbursement proceedings.

#### **Twenty-two. - Monitoring and control of the aid and control plan**

1. A control plan will be implemented to check that the subsidised activity has been carried out, through the verification and control of the financial documentation justifying the amount granted, which for this purpose has been established in these rules as a mandatory contribution by the beneficiary organisations for the payment of the subsidy, in accordance with the provisions of Article 169 of Law 1/2015, on public finances, the instrumental public sector and subsidies.

2. The plan will provide for the possible types of control to be carried out: administrative, on-the-spot, ex-post and quality control, the criteria for the selection of the sample and the minimum percentage of aid to be controlled out of the total aid paid on the corresponding budget line in accordance with the maximum intensities indicated.

3. The administrative controls will be carried out mainly through the verification and control of the financial documentation, justifying the amount granted, and in the report on the verified action relating to the subsidised activity, which for this purpose has been established in these rules as a compulsory contribution by the beneficiary for the payment of the aid.

### **Twenty-three. Processing of personal data**

The subsidies covered by this call for applications require the processing of personal data relating to the subsidy applicants and collaborating organisations, in the following terms:

a) Data controller: Regional Ministry for Innovation, Universities, Science and Digital Society, with address at Avenida Claude Combaldieu, s/n, 03008 Alicante; contact email: [protecciodedadesinnovacio@gva.es](mailto:protecciodedadesinnovacio@gva.es)

b) Category and origin of the data to be processed: personal identification, contact and any other type of data collected through forms, consultation with Autonomous Interoperability Platforms (AIP) or other Public Administrations, in the event that there is no opposition to this consultation, and the documentation provided by the applicants and their legal representatives. If the documentation submitted contains data on third parties, prior to the communication of this data to the Regional Ministry, the applicants and their legal representatives must inform these parties that their data will be processed by the Regional Ministry, in accordance with the terms set out in this provision.

c) Purposes and legal basis for the processing: the legal basis is the performance of a task carried out in the public interest, exercise of public authority and in compliance with the legal obligations contained in the regulatory rules of this call and other applicable rules, including those governing electronic processing, the personal data will be processed for the purpose of processing and managing the subsidy. In compliance with the principles of publicity and transparency, the subsidies awarded will be published, as appropriate, on the website of the Regional Ministry for notification purposes, on the Transparency Portal of the Generalitat Valenciana and on the National Subsidy Publication System, indicating, depending on each case, the call for applications, the programme and budget appropriation to which they are allocated, the beneficiary, the amount awarded and the purpose of the subsidy.

d) Data recipients: the personal data may be communicated both to the AIP, in order to check the data of applicants or socio-economic situations foreseen for the assessment, and to other public administrations and institutions, including, but not limited to, regional, local, state and EU bodies, judicial bodies and the Public Prosecutor's Office, the Court of Auditors, the Valencian Parliament, the Accounts Audit Office, the IGAE, the Ombudsman, the Síndic de Greuges, the Valencian Anti-Fraud Agency, the Data Protection Delegate and other third parties subject to private law with a legitimate interest and/or right of access in the procedure.

e) All the data requested through the application form, as well as the related documentation, are necessary for the processing of the application. Failure to communicate this data to the Regional Ministry will entail the consequences provided for in the legal system.

f) Data retention period: the personal data will be retained for the time necessary to fulfil the purpose for which they were collected and for the periods established in the regulations in force to comply with legal obligations and responsibilities, and will be deleted in accordance with the provisions of the regulations on archives and documentation.

g) Rights: the data subject may exercise the rights of access, rectification, erasure, objection, restriction of processing, portability and the right to not to be subject to a decision based solely on automated processing, through the following channels:

i. Online procedure that can be consulted on the Regional Ministry's website, in the section <http://innova.gva.es/es/proteccio-de-dades>.



- ii. By sending the request to any of the following postal addresses: Avenida Jean Claude Combaldeu, s/n, 03008 Alicante, or Avenida de Campanar, 32, 46015 València.
- iii. In person at the Registry of the Regional Ministry located at the above addresses. The exercise of the rights requires the unequivocal identification of the person concerned or their representative.

h) Right to complain to the Supervisory Authority: the data subject may lodge a complaint with the Spanish Data Protection Agency ([www.aepd.es](http://www.aepd.es)) if they consider that their rights have not been respected or that the processing of their personal data has violated these rights.

Beforehand, the data subject may contact the Generalitat Valenciana's Data Protection Delegate at [dpd@gva.es](mailto:dpd@gva.es) or in person at Paseo de la Alameda, 16, 46010 València.

These grants will be subject to current data protection regulations, acting in this regard in accordance with the provisions of Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of individuals with regard to the processing of personal data and on the free movement of such data and repealing Directive 95/46/EC (General Data Protection Regulation) and with Organic Law 3/2018 of 5 December on the Protection of Personal Data and Guarantee of Digital Rights.

#### **Twenty-four. - Notification to the European Commission not required**

This aid, being aid for audiovisual works, falls under Article 54 of Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty (OJ L 187, 26.6.2014) as amended by Commission Regulation (EU) 2017/1084 of 14 June 2017 amending Regulation (EU) No. 651/2014 concerning port and airport infrastructure, the notification thresholds for aid for culture and heritage conservation and for aid for sport and multifunctional recreational infrastructures and regional aid schemes, and amending Regulation (EU) No. 702/2014 as regards the calculation of eligible costs (OJEU L 156, 20.6.2017); also by Regulation (EU) No. 2020/972 of the Commission, of 2 July 2020, amending Regulation (EU) No. 1407/2013 as regards its extension and Regulation (EU) No. 651/2014 as regards its extension and relevant adjustments (OJEU L 215, 07.07.2020) and by Regulation (EU) No. 2021/1237 of the Commission, of 23 July 2021, amending Regulation (EU) No. 651/2014, declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty (OJEU L270, 29.07.2021). Hereinafter, we will refer to Regulation (EU) No. 651/2014 and its amendments approved in 2017, 2020 and 2021 as the EU Aid Regulation. For the purposes of Article 7 of the EU Aid Regulation, it is determined that, for the purpose of calculating aid intensity and eligible costs, all figures used are to be taken before any deduction of tax or other charges. All eligible costs will be supported by clear, specific and up-to-date documentary evidence. For the purposes of Article 8 of the EU Aid Regulation, it is noted that aid measures with identifiable eligible costs, exempted under the EU Aid Regulation, may be cumulated with: a) any other state aid, provided that such aid measures relate to different identifiable eligible costs; b) any other state aid, corresponding - partially or wholly - to the same eligible costs, only if such cumulation does not exceed the highest aid intensity or aid amount applicable to such aid under the EU Aid Regulation. Furthermore, state aid exempted under the EU Aid Regulation will not be cumulated with de minimis aid in relation to the same eligible costs if such cumulation would result in an aid intensity exceeding that laid down in Chapter III of the EU Aid Regulation. In addition, aid without identifiable eligible costs exempted under Article 19b, 20a, 21, 22 or 23, Article 56e(5)(a)(ii) or (iii), Article 56e(8)(d), Article 56e(10) and Article 56f of the EU Aid Regulation may be cumulated with any other state aid with identifiable eligible costs. In this regard, aid without identifiable eligible costs may be cumulated with any other state aid without identifiable eligible costs up to the highest relevant total funding threshold fixed for the specific

circumstances of each case in this Regulation or in another block exemption regulation or in a decision adopted by the Commission. Similarly, aid without identifiable eligible costs exempted under Article 56e(5)(a)(ii) or (iii), Article 56e(8)(d), Article 56e(10) and Article 56f of the EU Aid Regulation may be cumulated with other aid without identifiable eligible costs exempted under those articles.

For the purposes of Articles 58 and 59 of the EU Aid Regulation, account will be taken of the stipulated validity of the aforementioned Regulation for the application of the exemption from notification of the categories listed therein until 31 December 2023, taking into account the adaptation period of 6 months after that date.

In the interpretation of European legislation, account is to be taken of the criteria for the application of the judgment of the Court of Justice of 15 May 1997, Case C-355/95 P, *Textilwerke Deggendorf GmbH (TWD) v. Commission of the European Communities and Federal Republic of Germany*, on the criteria for application between regulations. The maximum aid intensities provided for in Royal Decree 1090/2020, of 9 December, amending Royal Decree 1084/2015, of 4 December, implementing Law 55/2007, of 28 December, on Cinema, which establishes new criteria for the identification of certain works as "difficult audiovisual works" for the purposes of the aforementioned Article 54 of Commission Regulation 651/2014, will also be taken into account.

**Twenty-five. Non-compliance, graduation criteria, liability and penalty system**

1. The Regional Ministry also reserves the right to modify or cancel the subsidy in the event of non-compliance with any of the obligations imposed on the beneficiaries, within the deadlines and conditions indicated, always observing the principle of proportionality referred to in Article 17.3.n of Law 38/2003, of 17 November, the General Subsidies Act.
2. Infringements and penalties will be resolved in accordance with the provisions of these regulatory rules and the regulations in force on subsidies.
3. The amounts received will be refunded in the cases established in these rules.